

**~~SEALED~~**

**CASE UNSEALED PER ORDER OF COURT**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

**December 2012 Grand Jury**

UNITED STATES OF AMERICA,  
Plaintiff,

v.

KAREN GALSTIAN (1),  
aka Kachal,  
VAHAG STEPANYAN (2),  
aka Misha,  
GEORGE KARAPETIAN (3),  
aka Jora,  
ARA ADAMYAN (4),  
CHRISTOPHER BUCKELY (5),  
CARLOS FERRUFINO, JR. (6),  
AKOP GALSTIAN (7),  
FARBOB GOLHASSANI (8),  
PAUL GONNELLY, JR. (9),  
TATYANA KARBACHINSKAYA (10),  
MARIA KHARITONOVA (11),  
ALISA NOVIKOVA (12),  
DAVID MEGUERIAN (13),  
ASHOT MNATSAKANYAN (14),  
SEDRAC MOVESYAN (15),  
ROBERT T. RODRIGUEZ (16),  
CHRISTOPHER RUIZ (17),  
VARDGES VARDANYAN (18),  
Defendants.

Case No. **13CR3481BTM**

**INDICTMENT**

Title 18, U.S.C., Sec. 1349 – Conspiracy  
to Commit Bank Fraud; Title 18, U.S.C.,  
Sec. 1028A – Aggravated Identity Theft;  
Title 18, U.S.C., Sec. 982(a)(2) –  
Criminal Forfeiture

1 The grand jury charges:

2 **INTRODUCTION**

3 1. Bank of America ("BoA") is a "financial institution" as defined by Title 18,  
4 United States Code, Section 20. BoA provides a wide range of consumer financial  
5 services, including personal and business banking services. As part of its banking  
6 services, BoA manages deposits and withdrawals of money into and out of customer bank  
7 accounts.

8 2. BoA typically places certain restrictions on a customer's bank account  
9 whenever a check is deposited into the account, in part to ensure that the check is backed  
10 by sufficient funds. A "hold" is the period of time that funds from deposited checks are  
11 unavailable in a recipient account. The length of a hold typically depends on several  
12 criteria, including the period of time an account has been opened, transactional history,  
13 and the account's average balance. In general, banks will shorten or eliminate the hold  
14 on funds from deposited checks as an account establishes a history of positive activity  
15 (e.g., stable transactional history, high average balance).

16 3. A "bad check" is a check with insufficient funds in the account issuing the  
17 check.

18 4. A "bust-out" account refers to an account at BoA into which bad checks  
19 were deposited and from which funds would be withdrawn even though there were  
20 insufficient funds in the account.

21 5. A "seed" account refers to a bank account, typically maintained at a national  
22 bank other than BoA, which the coconspirators used to establish transactional histories  
23 within bust-out accounts (in order to shorten or eliminate the hold on deposited checks),  
24 and to issue bad checks to bust-out accounts to allow for the fraudulent withdrawal of  
25 funds.

26 6. Personal identity information ("PII") means any name, address, date of birth,  
27 Social Security number, access code, access device or account number, driver's license  
28

1 number, personal identification number ("PIN"), telephone number, signature, and other  
2 means of identification.

3 7. "Identity theft victim" means any real person whose PII was obtained and  
4 used by others without lawful authority.

5 **Count 1**

6 **CONSPIRACY**

7 **(18 U.S.C. § 1349)**

8 8. The Grand Jury hereby realleges, and incorporates by reference paragraphs 1  
9 through 7 of this Indictment as if fully set forth herein.

10 9. Beginning in or about September 2011, the exact date unknown to the Grand  
11 Jury, and continuing through at least April 2012, within the Southern District of  
12 California and elsewhere, defendants KAREN GALSTIAN (1), aka Kachal, VAHAG  
13 STEPANYAN (2), aka Misha, GEORGE KARAPETIAN (3), aka Jora, ARA  
14 ADAMYAN (4), CHRISTOPHER BUCKELY (5), CARLOS FERRUFINO, JR. (6),  
15 AKOP GALSTIAN (7), FARBOB GOLHASSANI (8), PAUL GONNELLY, JR. (9),  
16 TATYANA KARBACHINSKAYA (10), MARIA KHARITONOVA (11), ALISA  
17 NOVIKOVA (12), DAVID MEGUERIAN (13), ASHOT MNATSAKANYAN (14),  
18 SEDRAK MOVESYAN (15), ROBERT T. RODRIGUEZ (16), CHRISTOPHER RUIZ  
19 (17), and VARDGES VARDANYAN (18), did knowingly and intentionally conspire and  
20 agree with each other and others to knowingly execute, and attempt to execute, a scheme  
21 and artifice to defraud a financial institution, that is BoA, as to material matters, in  
22 violation of Title 18, United States Code, Section 1344(1).

23 **Manner and Means of the Conspiracy**

24 10. The defendants and their coconspirators, both known and unknown to the  
25 Grand Jury (the "coconspirators"), used the following manner and means to carry out the  
26 objects of conspiracy:  
27  
28

1        11. The coconspirators opened seed accounts in their names and in the names of  
2 fictitious business entities at national banks, including Citibank, U.S. Bank, and Wells  
3 Fargo Bank, and funded these accounts with seed money.

4        12. The coconspirators opened bust-out accounts at BoA, commonly in the  
5 names of fictitious business entities.

6        13. The coconspirators funded these bust-out accounts with money from seed  
7 accounts and money from fraudulently obtained tax refunds, which were obtained using  
8 false and fraudulent U.S. Individual Income Tax returns ("Forms 1040") submitted by  
9 coconspirators to the Internal Revenue Service ("IRS") in the names of identity theft  
10 victims.

11       14. The coconspirators transferred funds between seed and bust-out accounts, as  
12 well as between bust-out accounts, to induce BoA to reduce the length of the hold placed  
13 on funds derived from checks deposited into bust-out accounts, and to test whether the  
14 hold had been shortened or eliminated.

15       15. After ensuring that BoA shortened or eliminated a hold placed on deposited  
16 checks, the coconspirators wrote bad checks from seed accounts and deposited them into  
17 bust-out accounts, and immediately withdrew funds from the bust-out accounts. This  
18 typically took place within a matter of minutes or hours after BoA lifted the hold on the  
19 deposited check, but before BoA determined that the issuing seed account did not contain  
20 sufficient funds to cover the bad check.

21       16. The coconspirators obtained the fraudulently withdrawn money in several  
22 ways, including through cash withdrawals (either at a teller window or an ATM) and by  
23 cashing large checks at BoA branch locations drawn on bust-out accounts.

24       17. The coconspirators communicated information relevant to the conspiracy  
25 through a variety of means designed to conceal their criminal activity and frustrate law  
26 enforcement, including: (a) using coded and ambiguous language to refer to various  
27 aspects of the conspiracy; (b) avoiding the use of their real names and instead referring to  
28



1 each other by nicknames; (c) changing phones on a regular basis; and (d) meeting in  
2 crowded, public places.

3 18. The coconspirators operated other aspects of the conspiracy in a manner  
4 designed to conceal their criminal activity and frustrate law enforcement, including: (a)  
5 conspiring with foreign nationals who were in the United States on short-term visas to  
6 open and maintain seed and bust-out accounts; (b) opening and maintaining bank  
7 accounts (particularly bust-out accounts) in the names of fictitious businesses; (c) renting  
8 mailboxes at commercial mail receiving agents (e.g., UPS) in the name of the fictitious  
9 businesses; and (d) leasing or renting cars, often in the names of others, for short periods  
10 of time.

11 19. Using more than 60 bust-out accounts, the coconspirators defrauded BoA  
12 out of more than \$680,000.

13 All in violation of Title 18, United States Code, Section 1349.

14 **Counts 2 through 4**

15 **AGGRAVATED IDENTITY THEFT**

16 **(18 U.S.C. § 1028A)**

17 20. The Grand Jury hereby realleges, and incorporates by reference paragraphs 1  
18 through 7 of this Indictment as if fully set forth herein.

19 21. On or about the dates set forth below, within the Southern District of  
20 California and elsewhere, defendants KAREN GALSTIAN (1), aka Kachal, and VAHAG  
21 STEPANYAN (2), aka Misha, knowingly transferred, possessed, and used, and caused to  
22 be transferred, possessed, and used, without lawful authority, a means of identification of  
23 another person, that is, the name and Social Security number of another person (listed  
24 below by initials only), knowing that the means of identification belonged to another  
25 person, during and in relation to a felony violation of Title 18, United States Code,  
26 Section 1349, conspiracy to commit bank fraud:

<u>COUNT</u>	<u>DATE</u>	<u>VICTIM</u>
2	August 2011	O.D.
3	August 2011	C.C.
4	October 2011	R.M.

All in violation of Title 18, United States Code, Section 1028A.

### **CRIMINAL FORFEITURE ALLEGATIONS**

22. The allegations contained in this Indictment are realleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(2).

23. Upon conviction of the offense of conspiracy to commit bank fraud, in violation of Title 18, United States Code, Section 1349, as set forth in Count 1, defendants KAREN GALSTIAN (1), aka Kachal, VAHAG STEPANYAN (2), aka Misha, GEORGE KARAPETIAN (3), aka Jora, ARA ADAMYAN (4), CHRISTOPHER BUCKELY (5), CARLOS FERRUFINO, JR. (6), AKOP GALSTIAN (7), FARBOB GOLHASSANI (8), PAUL GONNELLY, JR. (9), TATYANA KARBACHINSKAYA (10), MARIA KHARITONOVA (11), ALISA NOVIKOVA (12), DAVID MEGUERIAN (13), ASHOT MNATSAKANYAN (14), SEDRAK MOVESYAN (15), ROBERT T. RODRIGUEZ (16), CHRISTOPHER RUIZ (17), and VARDGES VARDANYAN (18), shall forfeit to the United States any property constituting or derived from proceeds traceable to such offenses, including but not limited to a sum of money equal to the total amount of proceeds obtained directly or indirectly as a result of the offenses. The property to be forfeited includes, but is not limited to, the following: gross proceeds of approximately \$689,000.

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24. If any of the property described above, as a result of any act or omission of defendants: (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property which cannot be divided without difficulty, it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), made applicable herein by Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 982(b), to seek forfeiture of any other property of the defendant up to the value of the said property described above as being subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(2).

DATED: September 19, 2013.

## A TRUE BILL:

  
Foreperson

LAURA E. DUFFY  
United States Attorney

By: Peter J. Mazza  
PETER J. MAZZA  
JOSEPH S. GREEN  
Assistant U.S. Attorneys  
TIMOTHY J. STOCKWELL  
Special Assistant U.S. Attorney